



Wyoming
Department
of Health

Commit to your health.

WYOMING DEPARTMENT OF HEALTH MEDICAID OPTIONS STUDY

Report 2 | JLHSS Committee | September 6-7, 2012

2

Introduction and Overview

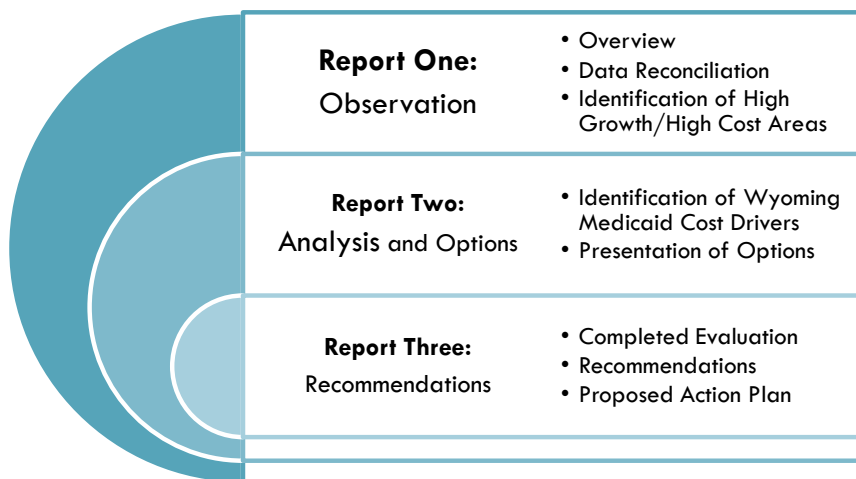
The Medicaid Options Study (SEA0058)

3

- Passed in 2012 Budget Session
- Legislation required the WDH to:
 - ▣ Describe and analyze Medicaid cost drivers
 - ▣ Identify areas in Medicaid to benefit from redesign
 - ▣ Evaluate redesign of existing Medicaid programs

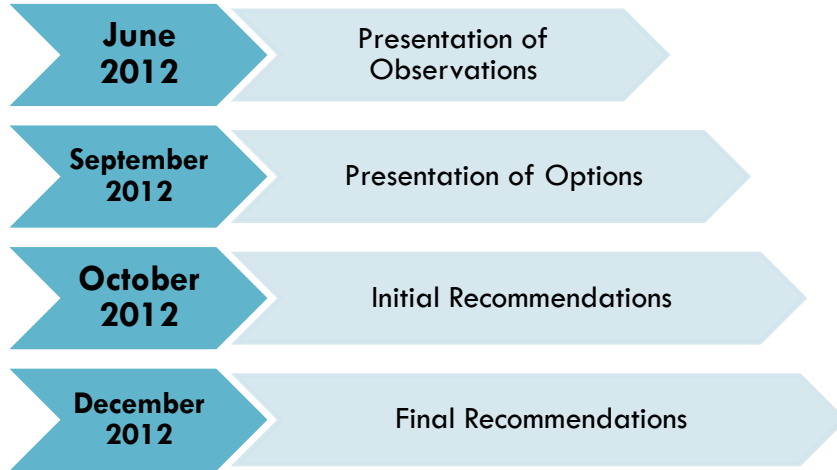
Overview of Reports

4



Overview of Dates

5



6

The Cost of Wyoming Medicaid

General Framework of System Cost

7

- Two major causes of overall system cost increase over the past decade:

**Number of
people
receiving
services**

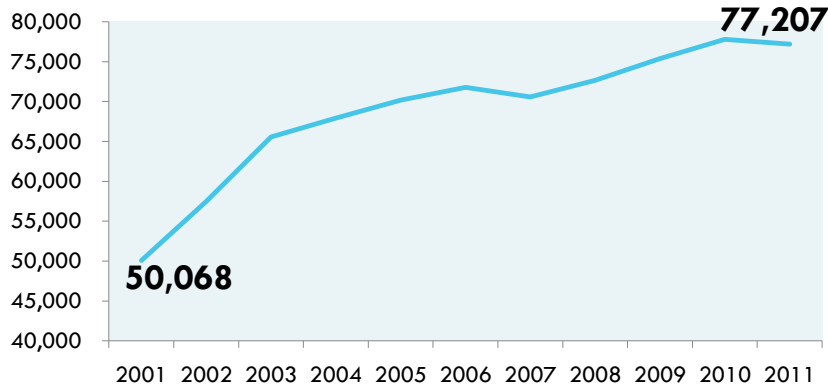
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**Cost per
recipient**

General Cost Driver | Number of Recipients

8

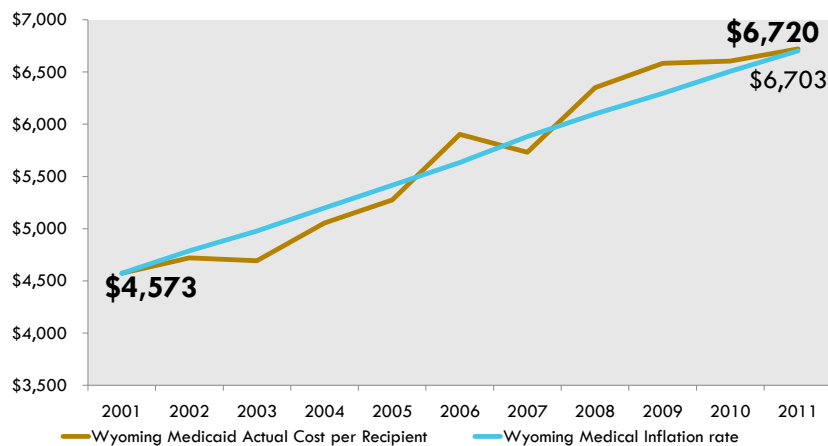
Figure 1. Wyoming Medicaid Recipients by SFY: 2001-2011



General Cost Driver | Cost Per Recipient

9

Figure 2. Wyoming Medicaid Average Annual Cost per Recipient and Medical Inflation: 2001-2011



Wyoming Medicaid System

10

SFY11	Medicaid System
Total Cost	\$518.9m
# Recipients	77,207
Cost Per Recipient	\$6,720

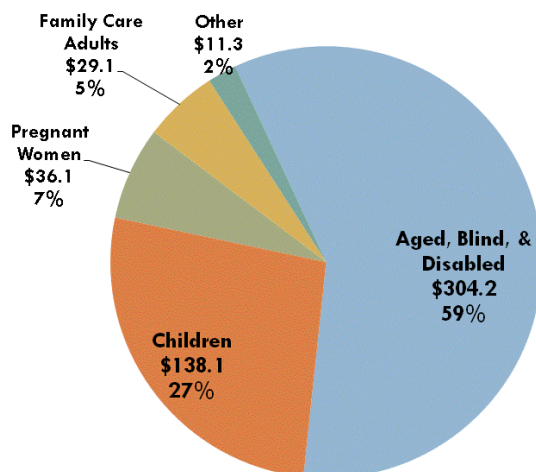
Most Costly Services

- ▣ Hospitals
- ▣ Waiver Services
- ▣ Nursing Homes
- ▣ Physician Services
- ▣ Prescribed Drugs

Expenditures by Recipient Type

11

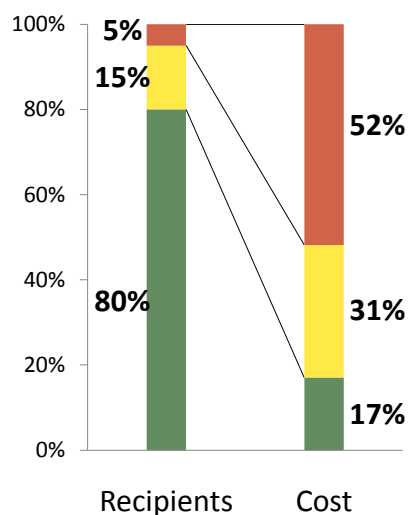
Wyoming Medicaid Expenditures by Recipient Type (in millions)
SFY11



Wyoming Medicaid | The Top 5%

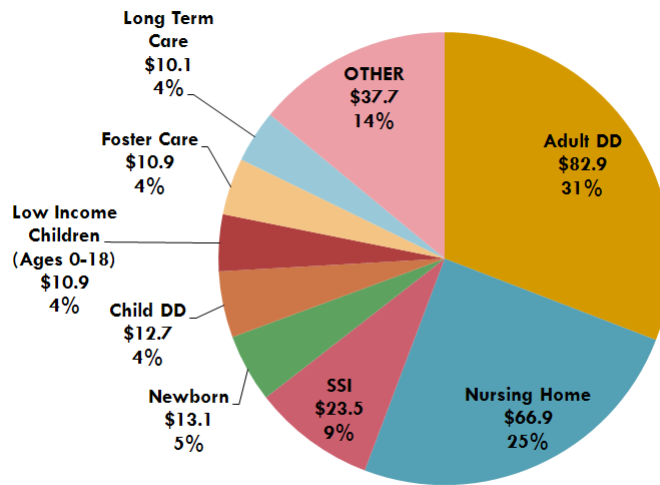
12

- The top 5% of Wyoming Medicaid recipients used 52% of the total dollars spent in SFY11.
- In contrast, the bottom 80% of recipients used 17% of the dollars.



The Top 5%: Who are they?

13



SFY11 Data in Millions represents the top 5% of the entire Medicaid Recipient population.

14

Report Two | Methods

Drilling Down from Groups to Sub-groups

15

- Report One
 - ▣ Presented 10 largest Medicaid Programs
 - ▣ Introduced 27 Sub-groups within the Programs
 - ▣ Example: **Foster Children** are a Sub-Group of the **Children** Program
- Report Two
 - ▣ Investigated cost trends in the 27 Sub-groups
 - ▣ Analyzed 13 highest cost Sub-groups in detail

Categorizing Options

16

- 13 Sub-groups of interest were combined into 6 sections
 - ▣ Elderly and Physically Disabled
 - ▣ Adults with DD
 - ▣ Children with DD
 - ▣ Pregnant Women and Newborns
 - ▣ Family Care
 - ▣ Children

Options Introduction

17

- Report Two identified 122 Options for Medicaid System changes or redesign
 - ▣ Highlighting just a few of those in this presentation
 - ▣ No recommendations at this time

18

Options |
Overall Wyoming Medicaid System

Wyoming Medicaid System

19

SFY11	Medicaid System
Total Cost	\$518.9m
# Recipients	77,207
Cost Per Recipient	\$6,720

□ Most Costly Services

- ▣ Hospitals
- ▣ Waiver Services
- ▣ Nursing Homes
- ▣ Physician Services
- ▣ Prescribed Drugs

Wyoming Medicaid System

20

PROBLEM #1 | Overall Cost of System

- Potential Options
 - ▣ Expand levels of case management for high-cost recipients
 - ▣ Change healthcare delivery system to Managed Care model
 - ▣ Implement Medical Homes

Wyoming Medicaid System

21

PROBLEM #2 | Emergent Care is Over-used

One or More ER Visits in SFY11

Wyoming Medicaid Recipients	Wyoming Private Insurance
33.7%	11.9%

- Potential Options
 - ▣ Limit the number of ER visits (yearly)
 - ▣ Medical Homes
 - ▣ Co-Payments

22

Options | Elderly and Physically Disabled Recipients

Elderly and Physically Disabled

23

- LTC Waiver, SSI, Nursing Home, and Hospital Care

SFY11	Nursing Home	SSI	LTC Waiver	Hospital Care
Total Cost	\$80.5m	\$51.7m	\$29.3m	\$7.0m
# Recipients	2,611	6,052	1,993	167
Cost Per Recipient	\$30,832	\$8,536	\$14,684	\$42,158

- **Most Costly Services**

- ▣ Nursing Homes | Inpatient Hospitals | Outpatient Hospitals | Prescribed Drugs | Physician Services

Elderly and Physically Disabled

24

PROBLEM #1 | Intensive Care is Expensive and Sometimes Premature

- Potential Options

- ▣ Eliminate caps for the LTC and ALF Waivers to increase community-based living
 - ▣ Implement a 1115 wavier program to shift from institutional care to community care
 - ▣ Tennessee 1115 waiver
 - ▣ Managed Care for high-cost individuals

Elderly and Physically Disabled

25

PROBLEM #2 | Wyoming Lacks a Variety of Inclusive, Community-based Care Options for the Elderly and Physically Disabled

□ Potential Options

- ▣ Encourage Program of All Inclusive Care for the Elderly (PACE) programs

26

Options | Adults with Developmental Disabilities

Adults with Developmental Disabilities

27

- Developmentally Disabled Adults, aged 21 +

SFY11	Adult DD Waiver
Total Cost	\$89.3m
# Recipients	1,392
Cost Per Recipient	\$64,117
Top 5% Cost Per Recipient	\$191,639

□ Most Costly Services

- ▣ Residential Habilitation
- ▣ Day Habilitation
- ▣ Case Management
- ▣ Special Therapy
- ▣ Prescribed Drugs

Adults with Developmental Disabilities

28

PROBLEM #1 | The Most Expensive Services may not Encourage the Most Positive Outcomes

□ Potential Options

- ▣ Redesign existing waiver system
 - ▣ *What is the desired outcome?*
- ▣ Create a support waiver with a max dollar per person amount
- ▣ Implement independent case management

Adults with Developmental Disabilities

29

PROBLEM #2 | High Cost per Person at the Wyoming Life Resource Center (ICF-ID)

□ Potential Options

- ▣ Retool, downsize, or repurpose the ICF-ID facility
- ▣ Close the ICF-ID facility and transition clients to community settings
- ▣ Focus on efficiency improvements and revenue generation at the ICF-ID facility

30

Options | Children with Developmental Disabilities

Children with Developmental Disabilities

31

- Children (birth to 21 years) with Developmental Disabilities

SFY11	Child DD Waiver
Total Cost	\$21m
# Recipients	831
Cost Per Recipient	\$25,887
Top 5% Cost Per Recipient	\$112,905

□ Most Costly Services

- Respite Care
- Family Habilitation
- Case Management
- Prescribed Drugs

Children with Developmental Disabilities

32

PROBLEM #1 | High Utilization of Services by the Top 5% and next 15%

- Potential Options
 - Redesign existing waiver system
 - *What is the desired outcome?*
 - Create capped supports waiver(s)
 - Reduce individual budgets without limiting services
 - Limit the weekly number of hours for similar services

33

Options | Pregnant Women and Newborns

Pregnant Women and Newborns

34

□ Most Costly Services

- ▣ Inpatient Hospital Services
- ▣ Physician Services
- ▣ Outpatient Hospital Services
- ▣ Prescribed Drugs
- ▣ EPSDT Screening (Newborns)

SFY11	Pregnant Women	Newborns
Total Cost	\$35m	\$30m
# Recipients	6,011	7,082
Cost Per Recipient	\$4,855	\$4,373
Top 5% Cost Per Recipient	\$22,384	\$48,255

Pregnant Women and Newborns

35

PROBLEM #1 | **Keeping Mothers and Newborns Healthy**

☐ Potential Options

- ☐ Create Maternity Medical Homes
- ☐ Extend “Pregnant by Choice” Waiver

Pregnant Women and Newborns

36

PROBLEM #2 | **High Provider Cost and Reimbursement**

☐ Potential Options

- ☐ Reduce Reimbursement Rates for Wyoming OB/GYNs
- ☐ Implement Bundled Payments for Prenatal Care to Birth

37

Options | Foster Care Children

Foster Care Children

38

☐ **Most Costly Services**

- ☐ Psychiatric Residential Treatment Facilities (PRTF)
- ☐ Prescribed Drugs
- ☐ Physician Services
- ☐ Mental Health Clinic Services
- ☐ Outpatient Substance Abuse

SFY11	Foster Care Children
Total Cost	\$67m
# Recipients	3,346
Cost Per Recipient	\$6,852
Top 5% Cost Per Recipient	\$63,186

Foster Care Children

39

PROBLEM #1 | Psychiatric Residential Treatment Facilities (PRTF) are Expensive and Highly Utilized

□ Potential Options

- ▣ Manage PRTF admission/Reduce Readmission
 - Stop court-ordered PRTF placements to specific facilities
 - Use Behavior Health Care Management Entity (CME)
 - Managed Care

Foster Care Children

40

PROBLEM #2 | Little Support for Foster Care Children after Leaving Foster Care System

□ Potential Options

- ▣ Focus on youth transitioning out of foster care
 - Poor transitions = cost for the State
 - Currently receive Medicaid coverage until 21
 - ACA 2014 receive Medicaid coverage until 26
- ▣ Managed care for this population

41

Conclusion

Report Two | Synopsis

42

□ Major Problem

- A small number of recipients in Wyoming Medicaid consume the majority of services and/or the majority of the dollars

□ Solution

- Target options that address the highest cost sub-groups, and most expensive 5% and 15% of recipients to achieve the most cost savings

Medicaid Options Study | Next Steps

43

- October 2012
 - Preliminary Recommendations

- December 1, 2012
 - Report Three and Final Recommendations

Thank You

44



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